



Shanghai Conant Optical Co., Ltd.

上海康耐特光學科技集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock code : 2276

**Environmental, Social and
Governance Report
2024**



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1. About the Report

Shanghai Conant Optical Co., Ltd. and its subsidiaries (collectively, the “**Group**” or “**we**”) are pleased to release the Group’s fourth environmental, social, and governance report (the “**Report**”). The Report describes the policies, measures as implemented in the Group’s environmental, social, and governance (“**ESG**”) aspects, and discloses each of the key performance indicator (“**KPIs**”) in terms of environment and society so as to demonstrate the Group’s ESG performance and effectiveness to the stakeholders and the public.

1.1 REPORTING STANDARDS

The Report has been prepared in accordance with the mandatory disclosure requirements and the “Comply or Explain” provisions of the Appendix C2 “Environmental, Social and Governance Reporting Guide” (the “**Guide**”) of the Main Board Listing Rules on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and is prepared in compliance with the four reporting principles of the Guide.

- **Materiality:** The Group has identified and disclosed in the Report the process of identifying material ESG issues and the criteria for selecting these issues, as well as the descriptions of the participation processes of stakeholders.
- **Quantitative:** The disclosure of statistical standards, methodologies, assumptions, and calculation tools used for ESG KPIs and relevant data reported in the Report, as well as the source of conversion factors are described herein.
- **Consistency:** The Report uses the same consistent statistical methods in data disclosure as last year. Any changes will be stated clearly in the Report.
- **Balance:** The Report presents the Group’s ESG performance during the Reporting Period impartially. It aims to avoid choice, omission or presentation formats that may improperly influence readers’ decisions making and judgments.

1. About the Report

1.2 SCOPE OF THE REPORT

The Report covers a reporting period from 1 January 2024 to 31 December 2024 (the “**Year**” or “**Reporting Period**”). The environmental disclosure involves the two core Production Bases of the Group – the Shanghai Production Base and the Jiangsu Production Base, which have material impacts and contributions on the Group’s businesses and production scales, while the scope of social disclosure is consistent with that in the Annual Report. Readers may refer to the Corporate Governance Report section of the Annual Report to understand the Group’s governance work.

1.3 LANGUAGE OF THE REPORT

The Report is published in both versions of Chinese and English. In case of discrepancies, the Chinese version shall prevail.

1.4 CONFIRMATION AND APPROVAL

After being confirmed by the management, the Report has been approved by the board of directors (“**Board**”) of the Group on 31 March 2025.

1.5 FEEDBACK ON THE REPORT

The Group highly value everyone’s opinions and suggestions on the Report and feedback on the Report is welcomed. If you have any inquiries or suggestions, please feel free to contact the Group through email at caoxue@conantoptical.com.

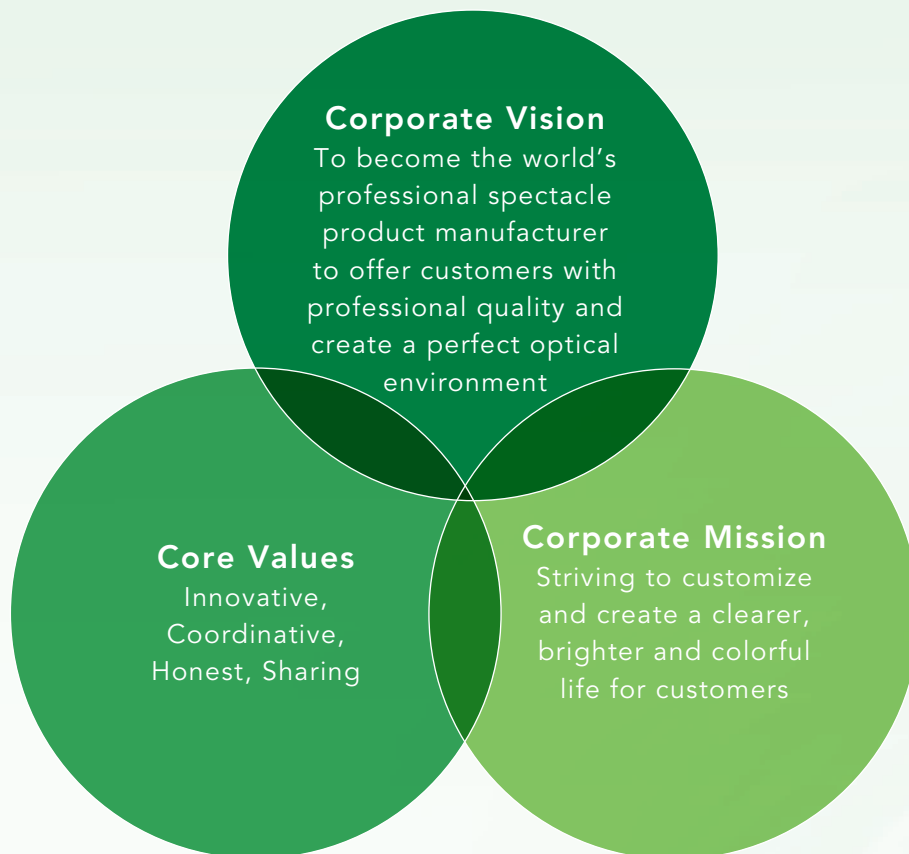
2. About Conant Optical

Established in 2006, the Group is principally engaged in the integrated business of research and development, production and sales of resin lens as well as customized processing services of lens. The main product portfolios include mono-focal, multi-focal and progressive multi-focal optical resin finished and semi-finished lenses with low, medium, high and ultrahigh refractive index. We offer customers with wide variety of resin spectacle lens, including standardized lens and customized lens. We have an extensive and reliable customer base across the world, consisting of certain renowned brand owners of spectacle lens and international ophthalmic optic companies.

The Group has a wide range of varieties, and a complete industrial chain covering raw material procurement, lens production and sales. Our trademark “Conant” (康耐特) is a famous brand in Jiangsu province. We are able to produce a wide range of products covering ten categories such as regular lens, functional lens and customized lens with a total of 7 million kinds of SKU specifications. We possess various world’s advanced production lines for resin lens, top-notch production lines for coatings and world-class production lines for RX lens with monthly production volume of more than 9 million. We also have 70 international and domestic advanced mould production lines for single-vision lens, dual-vision lens, astigmatism lens, aspherical lens and progressive lens, demonstrating our sufficient production capacity for mould production. Our products are currently sold to over 90 countries, including but not limited to the PRC, the United States, Japan, India, Australia, Thailand, Germany and Brazil.

2. About Conant Optical

We have in place a sound internal control and comprehensive quality management system. We have passed ISO9001 and ISO13485 International Quality Management System Certifications. The Group's internal control quality standard is more stringent than the national GB10810 system standards. Our products are accredited by CE Certification and qualifies for United States FDA standards. Our production technique and our internal and external product qualities have reached the top class domestically and edged into the advanced rank in the world. Our resin lens of different specifications has become a comparable model for many merchants with its excellent optical physics.



2. About Conant Optical

During the Year, the Group was honored to receive a certificate of recognition of its market position as the 'No. 1 Chinese Brand in the National Resin Lens Market' from Sullivan (below left). The honor was awarded by Frost & Sullivan based on an independent study of the global resin lens market, which was completed in June 2024 based on the global sales volume and sales amount of resin lenses in 2023. In addition, the Specialized Committee on Quality Standards of China Optometric and Optical Association has awarded the Group the title of 'Compiling Unit for Group Standard' according to T/COOA 11 – 2023 Microstructure Ophthalmic Lenses Composite Structured Lenses (《微結構眼鏡鏡片複合結構型鏡片》) (below right). We have also been listed in the list of 'Intelligent Manufacturing Workshop in Jiangsu Province in 2024'.



Certificate of recognition of its market position as the 'No. 1 Chinese Brand in the National Resin Lens Market' (Left) and 'Compiling Unit for Group Standard' (Right)

2. About Conant Optical

2.1 STATEMENT OF THE BOARD

The Group has established a sound ESG governance structure to facilitate the Group's management of sustainability. The Board, being the highest decision-making body, shoulders all the ESG decision-making and supervisory responsibilities, which include regularly resolving and approving ESG-related strategies, assessing and prioritizing ESG issues, and managing material matters and risks involving ESG issues. An ESG Working Group has been formed by the Group to provide regular reports to the Board, to identify and evaluate ESG risks, and to monitor all ESG works of different departments. During the Year, based on the environmental targets set, we have reviewed the progress against the targets. Looking ahead, we will continue to implement numerous energy saving and emission reduction measures to enhance our environmental performance.

2.2 ESG GOVERNANCE STRUCTURE

The ESG governance structure of the Group consists of the decision-making level, which is represented by the Board, the organizational level, which is led by the directors and the senior management, and the executive level, which includes the General Management Department and the Internal Control Management Department. An ESG Working Group has been formed under the delegation by the Board to oversee the Group's ESG matters. It consists of three executive directors, namely Mr. Fei Zhengxiang, Mr. Zheng Yuhong and Mr. Xia Guoping.

2. About Conant Optical



Decision-making level: the Board	Organizational level: the ESG Working Group	Execution level: execution unit
<ul style="list-style-type: none">• Shoulders all responsibilities in relation to ESG issues;• Resolves and approves ESG-related strategies, material issues and risk management of the Group;• Reviews the material evaluation results;• Reviews and approves ESG-related targets and the annual ESG report.	<ul style="list-style-type: none">• Communicates with stakeholders and identifies ESG-related risks;• Formulates ESG-related working plans;• Monitors and coordinates the execution and performance of the ESG strategies;• Conducts regular reporting to the Board, and provides ESG-related management recommendations.	<ul style="list-style-type: none">• Complies with the ESG-related policies and regulations, and collects the relevant KPIs data;• Reports to the ESG Working Group on a regular basis.

2. About Conant Optical

2.3 STAKEHOLDERS ENGAGEMENT

In order to strengthen our understanding of stakeholders' expectations and needs, as well as to identify material issues and assess the effectiveness of our sustainability measures, we maintain close communication with our stakeholders. We take proactive initiative to identify major stakeholders and establish diversified communication channels. We formulate and implement numerous policies and measures for sustainable development to actively response to the opinions from various stakeholders and establish a long-term and effective cooperation relationship, so as to join force to facilitate the sustainability of the Group.

Major Stakeholders	Expectations and Demands	Communication Channels	Communication Frequency
Shareholders/ investors	<ul style="list-style-type: none"> Product innovation and development Anti-corruption Protection of the interests of shareholders and investors Business growth Long-term win-win cooperation 	<ul style="list-style-type: none"> Annual general meeting and other general meetings Investors conferences Interim reports and annual reports Corporate communications such as letters/circulars and meeting notice to Shareholders Results announcements Senior management meetings In-person meetings 	<p>To be held when necessary</p> <p>To be held when necessary</p> <p>To be released regularly</p> <p>To be released regularly</p> <p>To be released regularly</p> <p>To be held regularly/irregularly</p> <p>To be held irregularly</p>
Customers	<ul style="list-style-type: none"> Response to climate change Product innovation and development Product quality and safety Protection of customers' privacy Customer satisfaction 	<ul style="list-style-type: none"> Customer service center Company mailbox and hotline Customer relationship manager visits Daily operation/interaction Company website 	<p>Communicate irregularly</p> <p>Communicate irregularly</p> <p>To be conducted irregularly</p> <p>To be conducted irregularly</p> <p>To be released regularly</p>

2. About Conant Optical

Major Stakeholders	Expectations and Demands	Communication Channels	Communication Frequency
Employees	<ul style="list-style-type: none"> Occupational health and safety Employee training and development Remunerations and benefits Occupational development opportunities Employee equality, no discrimination and no disparity in treatment 	<ul style="list-style-type: none"> Survey and channels for employees to express their opinions Work performance assessment Business briefs In-person meetings Work performance interviews Seminars/workshops/lectures Employee communication conferences Employee intranet 	<p>Communicate irregularly</p> <p>To be conducted regularly</p> <p>To be conducted regularly</p> <p>To be held irregularly</p> <p>To be held irregularly</p> <p>To be held irregularly</p> <p>To be held irregularly</p> <p>To be held irregularly</p>
Suppliers	<ul style="list-style-type: none"> Protection of intellectual property Material procurement and efficiency Supply chain management Information resources sharing Long-term win-win cooperation 	<ul style="list-style-type: none"> Supplier management procedures Supplier/contractor evaluation system Conferences Site visits 	<p>To be conducted regularly</p> <p>To be conducted regularly</p> <p>To be held when necessary</p> <p>To be conducted irregularly</p>

2. About Conant Optical

Major Stakeholders	Expectations and Demands	Communication Channels	Communication Frequency
Regulatory authorities	<ul style="list-style-type: none"> • Protection of the interests of shareholders and investors • Information transparency • Compliance with laws and regulations 	<ul style="list-style-type: none"> • Conferences • Written response to public consultation • Compliance reports 	<p>To be released irregularly</p> <p>To be released irregularly</p> <p>To be released regularly</p>
Business partners	<ul style="list-style-type: none"> • Raw materials consumption • Management of waste water disposal • Management of packaging materials • Cooperation with integrity 	<ul style="list-style-type: none"> • Reports • Conferences • Visits • Lectures 	<p>To be released regularly</p> <p>To be held irregularly</p> <p>To be conducted irregularly</p> <p>To be held irregularly</p>
Media	<ul style="list-style-type: none"> • Response to climate change • Advertising and Labeling • Information resources sharing • Long-term win-win cooperation 	<ul style="list-style-type: none"> • Press conferences • Interviews of senior management • Press releases • Results announcements 	<p>To be held irregularly</p> <p>To be conducted irregularly</p> <p>To be released regularly</p> <p>To be released regularly</p>

2. About Conant Optical

Major Stakeholders	Expectations and Demands	Communication Channels	Communication Frequency
Community/ non-governmental organizations	<ul style="list-style-type: none"> • Participation in community construction • Cooperation, sharing of resources 	<ul style="list-style-type: none"> • Donations • Conferences • Community activities • Seminars/lectures/ workshops 	To be conducted irregularly To be held irregularly To be conducted regularly/ irregularly To be held regularly/ irregularly
Peers	<ul style="list-style-type: none"> • Product quality and safety • Business ethics • Protection of customers' privacy 	<ul style="list-style-type: none"> • Strategic cooperation projects 	To be held when necessary
Retailers	<ul style="list-style-type: none"> • Material procurement and efficiency • Supply chain management • Product and service labelling 	<ul style="list-style-type: none"> • Retailer management procedures • Conferences • Contractor evaluation system • Site visits 	To be conducted when necessary To be held when necessary To be conducted when necessary To be conducted irregularly

2.4 MATERIALITY ASSESSMENT

Through communication with our internal and external stakeholders, with reference to the Guide, the database of material issues of the Sustainability Accounting Standards Board (the "SASB"), and common topics among peers, and integrating the operational circumstances of the Group, we have established our database of material issues. Based on the materiality assessment, we have identified 32 material issues. Among which, 9 of them are of high materiality, 10 are of moderate materiality, and 13 are of general materiality. During the Year, as there was no significant change in the Group's business and business environment, the results of materiality assessment remained applicable after being reviewed and confirmed by the Board. In the future, we will continue to pay close attention to industry trends, identify and analyze any materiality issues that may be relevant to the Group in a timely manner, and maintain consistent communication with our stakeholders.

2. About Conant Optical

High materiality	Moderate materiality	General materiality
<ul style="list-style-type: none"> • Product quality and safety • Data security • Protection of customers' privacy • Protection of intelligent property • Customer satisfaction • Complaint handling • Product and service labelling • Anti-corruption • Corporate governance 	<ul style="list-style-type: none"> • Greenhouse gas (GHG) emission and management • Energy management • Water resources management • Waste management • Management of exhaust gas emission • Management of waste water disposal • Response to climate change • Green products • Supplier management • Community investment 	<ul style="list-style-type: none"> • Management of packaging materials • Fairness and diversity • Anti-discrimination • Employee training and development • Occupational health and safety • Employment compliance • Remuneration and benefits • Labour standards • Prevention of child and forced labour • Responsible procurement • Material procurement and efficiency • Suppliers' social standards • Community communication and engagement

3. Compliant Operation

3.1 PRODUCT QUALITY ASSURANCE

As one of the world's leading resin lenses manufacturers with a wide range of products, providing consumers with high quality products has always been the Group's pursuance. We comply with the Law of the People's Republic of China on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》) and the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》), and have formulated a series of internal policies to regulate our quality management work, including the Quality Plan (《質量計劃》), Quality Inspection Procedures (《質量檢驗作業程序》), Non-conforming Product Control Procedures (《不合格品管製作業程序》), Inspection and Measurement Equipment Control Procedures (《檢驗與量測設備管控制序》), Materials Identification, Storage, Transportation, Packaging and Delivery Procedures (《物料識別、儲運、包裝與交付作業程序》), Quality Inspection Procedures (《質量檢驗作業程序》), Key Quality Control Point Procedures (《關鍵質量控制點作業程序》) and Warehouse Management of Finished Products and Product Storage Procedures (《成品倉庫管理、產品入庫作業程序》).

In addition to the standard certifications of ISO13485:2016 Quality Management System for Medical Devices (《ISO13485:2016 醫療器械質量管理體系》), ISO9001:2015 Quality Management System (《ISO9001:2015 質量管理體系》) and CE certification that complies with the European Regulation 2017/745 Annex 1 – European Medical Devices Regulation (《2017/745 Annex 1 – 歐洲醫療器材法規》), we also obtained the United Kingdom Conformity Assessed (UKCA) Certificate of Compliance during the Year, some of which as shown in the following pictures. We produce our products in strict compliance with various standards of production, such as GB 39552.1-2020 Sunglasses and Sun Glare Filters Part 1: General Requirements (《GB 39552.1-2020 太陽鏡和太陽鏡片第1部分：通用要求》), QB/T 2659-2004 Spectacles for Driving (《QB/T 2659-2004 機動車駕駛員專用眼鏡》), GB/T 38005-2019 Spectacle lenses-Fundamental requirements for uncut finished lenses (《GB/T 38005-2019 眼鏡鏡片未割邊鏡片的基本要求》), etc. In accordance with the requirements under ISO13485 Quality Management System for Medical Devices (醫療器材質量管理體系), we will set monthly, quarterly or annual quality assessment items and target values, such as perfectness ratio of equipment, passing rate of measurement equipment under inspection, average monthly passing rate of random inspection, customer satisfaction, rate of customer complaints, etc. During the Year, our quality has reached the target requirement.



International Standard Certifications (left) and Quality Management System Certification (right)

3. Compliant Operation



CE certification of the European Regulation



UKCA Certificate of Compliance

3. Compliant Operation

In quality management, various departments of the Group generally work together to perform gate-keeping on various aspects of the products. When the raw materials are provided by the suppliers, the Quality Management Department will inspect the raw materials based on the quality requirements or standards. If the quality of the materials is below standard, the Procurement Department will be notified and will contact the suppliers to return or exchange the goods. The Warehousing Department will monitor the goods that have already been stored in the warehouse on a regular basis. In case there is any changes in the quality, such as signs of mouldy, yellowed or dirty, the relevant departments will perform inspection and decide if it is necessary to report as scrapped.

Our inspection is categorized into self-inspection and process inspection according to the Lens Inspection Specifications (《鏡片檢驗規範》) and other procedural craftsmanship documents. The Production Department will perform self-inspection on each procedure, while the Quality Management Department will undergo regular inspection and process inspection and the frequency of random inspection varies from different kinds of products. Before stocked, all finished or semi-finished products must be under inspection. Finished products must be inspected by the Quality Management Department based on its standards and must pass the sampling inspection before delivery. We conduct inspection by using Acceptable Quality Limit, while the sampling methods and inspection standards may vary depending on sample size. Any discrepancy from the standards will be reported to the Manufacturing Department in a timely manner. In case there is any unusual circumstance discovered during the course of inspection and in the result of inspection, the responsible department shall re-inspect, the result of which should be confirmed by the Quality Management Department and the goods can only be stocked upon passing the inspection. When there is unusual quality in relation of mass production, the Quality Management Department can request rectification, the result of which should be followed up and examined.

To ensure safe delivery of products, in addition to packaging according to the requirements of the customers and the suppliers, we will arrange suitable transportation means based on the volume, weight and size of the package to prevent the packages from falling, tilting, collision and damage during delivery. In case the said situation occurs, the inspectors will confirm whether the quality is affected before taking further action. Furthermore, we have formulated the Advisory Notice and Adverse Event Reporting and Control Procedures for Medical Devices (《醫療器械忠告性通知和不良事件報告控制程序》) as our product recall policy to ensure that various harmful events of products can be controlled in a timely and effective manner. Once products are found to be recalled due to quality problems, we will carry out the recall based on the severity of the deficiencies of the medical devices into three ranks and notify the relevant user units, the Quality Management Department, the Sales Department and the Administrative Department for further handling.

3. Compliant Operation

Ranks	Applicable scope	Time limit for recalls
Rank 1 recalls	The use of the medical device is likely to cause or has caused serious health harm	Within 1 day
Rank 2 recalls	The use of the medical device is likely to cause or has caused temporary or reversible health harm	Within 3 days
Rank 3 recalls	The use of the medical device is less likely to cause harm but still need to be recalled	Within 7 days

During the Year, the Group encountered no safety and health issues that resulted in product recalls.

3.2 DATA INFORMATION SECURITY

Protecting the privacy and security of information is an important part of the Group's compliant operation. The Group strictly complies with the relevant laws and regulations such as the Specification on Computer Network Construction Technology in Manufacturing Industry (《製造行業計算機網絡建設技術規範》), the Provisions on Computer Information Network Security Protection in Manufacturing Industry (《製造行業計算機信息網絡安全保護規定》), the Interim Provisions on Computer Information System Confidentiality Management in Manufacturing Industry (《製造行業計算機信息系統保密管理暫行規定》), the Specification on Computer Network and Information Security Technology and Administration (《製造行業計算機網絡和信息安全技術與管理規範》) and the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》). To ensure compliance with the above requirements in the management of information equipment and information security, we have formulated the internal information management policies such as the Computer Equipment Management System (《計算機設備管理制度》), the Informationization Confidentiality Management System (《信息化保密管理制度》), the Information System Account Management System (《信息系統賬號管理制度》), the Data Security Management System (《數據安全管理制度》), the Data Backup System (《數據備份制度》), the Network Security Management Measures (《網絡安全管理辦法》), the Network Information Security Management System (《網絡信息安全管理制度》), the Informationization Work Management Measures (《信息化工作管理辦法》) and the Network Security Inspection System (《網絡安全巡檢制度》).

3. Compliant Operation

The Group has formulated various policies to comprehensively protect data and privacy security, of which the Informationization Work Leading Group is responsible for the informationization approach, information security policies and information security construction, consideration and approval of the Group's informationization plan, project and development. Devices used to handle confidential information must be accessed through password, and be operated by authorized personal as assigned by the management. Confidential information could not be stored in or read by any device which is connected with external network. Without authorization, no person or unit could rectify, set up or delete any device such as local area network and servers. All departments should keep log records of more than 6 months in respect of internet use and external service offerings. Firewall and anti-virus software will also be installed, updated and evaluated in terms of security on a regular basis for discovery and restoration of any loophole.

Furthermore, we will conduct regular data backup, and the network management staff is responsible in recording each backup time, content and frequency for easier review in the future. If data loss occurs due to attacks on the system, the staff under the Information Engineering Department will recover the data. During the Year, we organized a network information security competition to further consolidate the professionalism of our management and business staff in information security protection, ensuring the safe and stable operation of the Group's information systems.

We maintain strict confidentiality of important information regarding our employees, customers and operations, and have implemented comprehensive information protection and transmission works. When collecting customer information, the usage of personal information will be specified. Data should only be accessed by staff based on their own authorization. No data should be handled beyond the limit of authority. Password, oral command and limit of authority have been set for confidential data storage devices. Employees must not create, store or read any confidential information through external network. Any leakage of information will be reported to the relevant departments and further actions will be taken in accordance with the particular situation.

During the Year, the Group has not violated any laws and regulations in relation to data privacy.

3. Compliant Operation

3.3 INTELLECTUAL PROPERTY PROTECTION

The Group strictly abides by the laws and regulations such as the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), the Regulations on the Implementation of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》) and the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), and has formulated the Intangible Assets Management System (《無形資產管理制度》) as an internal policy to manage the Group's intangible assets such as patents and trademarks. We strictly prohibit unauthorized transfer and use of intellectual properties. The relevant contract must be signed before using the Group's intellectual properties.

The intangible assets management is led by the Group's Financial Department and under the supervision of the Audit Department. Detailed records about the obtaining of our intellectual properties are kept, which contain the acquisition history, time for renewal, application time, renewal charge, etc. For confidential information such as business secrets, formulae and designs, we will establish internal management measures to explicitly specify access authority, and content and information which could be made public are registered. All of the Group's employees are responsible for the protection of confidential data. New employees will undergo background check in respect of intellectual property, and have to sign the Non-competition and Confidentiality Agreement (《競業限制及保密協議》). We will conduct confidentiality check on employees whose positions involve handling of confidential data. Any intellectual property created by employees during their term of services are vested to the Group. Right of authorship and awards will be granted to the employees.

We not only defend our trademarks and patents, but also respect and protect the intellectual properties of our cooperative partners. By entering into the Use of Trademarks Licensing Contract (《商標使用許可合同》) with our cooperative partners, we will specify the term and scope of use of the intellectual properties, which makes clear the rights and obligations of the licensor and licensee and enables proof of right of use, such as the agreement to grant the right, to be kept. The authorized party has the right to examine the product quality during the term of the contract. In case the product quality is not up to the agreed standard, the Group could request the other party to deal with the issue pursuant to the contract.

During the Year, the Group held a number of 133 registered patents with 15 additions of patent authorization.

3. Compliant Operation

3.4 BRAND PROMOTION

Brand is one of the important assets of an enterprise in the market and has a significant impact on its development and competitiveness. In order to standardize and strengthen the Group's management in terms of brand identity, image, authorization, risk and performance, and to ensure uniform brand image and product information transmission, we have formulated the Brand Management System (《品牌管理制度》) and the Brand Management Protection System (《品牌管理保護制度》). Through the establishment of a multi-level, high-coverage sales network, we have publicized the brand value of Conant and promoted our products to the international market in various aspects. After clarifying the market of our brand, we have formulated the development strategy in brand promotion, market expansion and image protection, etc. We spread the brand value and image through multiple channels such as advertisements, magazines and exhibition promotion.

In terms of advertising, the Group is in strict compliance with the provisions of the Advertisements Law of the People's Republic of China (《中華人民共和國廣告法》), and has formulated the New Advertisements Law Prohibited Words Collection (《新廣告法違禁詞彙總》) as the internal policy to require the review of advertising contents, ensuring our customers are provided with the most up-to-date and correct information which are free from any misleading contents or false promotions. During the Year, the Group has not violated any laws and regulations in relation to advertising and labelling.

During the Year, we participated in a total of 15 domestic and overseas exhibitions, which includes the Nantong Cross border E-commerce Selection Expo (南通跨境電商選品博覽會), the 35th China (Beijing) International Optics Fair (北京第三十五屆中國國際眼鏡業展覽會), the 2024 Shenzhen International Optics Fair (深圳國際眼鏡業博覽會), the Vision WEST 2024 (美國拉斯維加斯眼鏡展) and the SILMO PARIS 2024 (法國巴黎國際光學眼鏡展), details of such exhibitions are shown in the followings.

3. Compliant Operation

	Location	Exhibition name	Exhibition time
Domestic	Shanghai, China	The 22nd China (Shanghai) International Optics Fair (第二十二屆中國(上海)國際眼鏡業展覽會)	11 March to 13 March 2024
	Shanghai, China	COOC Shanghai International Ophthalmology and Optometry Technology and Equipment Exhibition (COOC上海國際眼科和視光技術及設備展覽會)	12 April to 13 April 2024
	Wuhan, China	China Glasses Agent Summit (中國眼鏡業代理高峰論壇)	26 June to 28 June 2024
	Hangzhou, China	China Glasses Innovation Summit (中國眼鏡產業創新發展大會)	11 June to 15 June 2024
	Wuhan, China	The 28th Congress of Chinese Ophthalmological Society (CCOS中華醫學會第二十八次眼科學術大會)	4 September to 8 September 2024
	Nantong, China	China Nantong Cross border E-commerce Selection Expo (中國南通跨境電商選品博覽會)	5 September to 7 September 2024
	Shanghai, China	Yangtze River Delta Eyes Health Congress (長三角眼健康大會)	5 June to 7 June 2024
	Beijing, China	The 35th China International Optics Fair (第三十五屆中國國際眼鏡業展覽會)	10 September to 12 September 2024
	Shenzhen, China	2024 Shenzhen International Optics Fair (深圳國際眼鏡業博覽會)	27 December to 29 December 2024

3. Compliant Operation

	Location	Exhibition name	Exhibition time
Overseas	Munich, Germany	OPTI 2024 (慕尼黑國際光學眼鏡展)	12 January to 14 January 2024
	Milan, Italy	MIDO 2024 (米蘭國際眼鏡展)	3 February to 5 February 2024
	New York, the U.S.	VISION EXPO EAST 2024 (美國紐約眼鏡展)	15 March to 17 March 2024
	Las Vegas, the U.S.	VISION WEST 2024 (美國拉斯維加斯眼鏡展)	18 September to 21 September 2024
	Paris, France	SILMO PARIS 2024 (巴黎國際光學眼鏡展)	20 September to 23 September 2024
	Hong Kong, China	Hong Kong International Optical Fair 2024 (香港國際眼鏡展2024)	6 November to 8 November 2024

CCOS2024

During 4 September to 8 September 2024, the Group participated in the 28th Congress of Chinese Ophthalmological Society (CCOS2024) organized by the Chinese Medical Association and the Chinese Ophthalmology Society in Wuhan. Through this academic congress, we demonstrated to the public a variety of self-developed and innovative products such as equal imagery lenses, FIX double curved thinning lenses and UV PLUS anti-blue light lenses, and discussed with peer experts and scholars around the hot issues in the field of ophthalmology.



CCOS2024 Staff Photo

3. Compliant Operation

THE 35th CHINA (BEIJING) INTERNATIONAL OPTICS FAIR (第三十五屆中國(北京)國際眼鏡業展覽會)

During 10 September to 12 September 2024, the Group participated in the 35th China (Beijing) International Optics Fair. As one of the world's leading resin lenses manufacturers with a wide range of products, we have brought a variety of self-developed products to the fair and provided one-on-one sessions to potential customers to explore new opportunities for cooperation. Looking ahead, the Group will continue to research and develop better lenses to ensure better quality.



Beijing International Optics Fair Staff Photo

3. Compliant Operation

THE 3RD YANGTZE RIVER DELTA EYES HEALTH CONGRESS (第三屆長三角眼睛健康大會)

6 June 2024 was the 29th Sight Day. As one of the world's leading resin lenses manufacturers with a wide range of products, the Group has brought a number of patented products and participated in the 3rd Yangtze River Delta Eye Health Congress organized by the Yangtze River Delta Coordination Committee-Smart Healthcare Development Alliance and the Shanghai Preventive Medicine Association. At the congress, our staffs introduced our products and the transformation of scientific research results to customers, aiming to provide better visual solutions and enhance the public's awareness of eye care.



The 3rd Yangtze River Delta Eyes Health Congress

3. Compliant Operation

3.5 CUSTOMER SATISFACTION

Customer satisfaction is a goal we pursue relentlessly, inspiring us to keep pressing forward. The Marketing Department is responsible for conducting annual customer satisfaction surveys, monitoring the brand image and understanding the brand perception of customers. Should dissatisfactions arise, we will actively handle the situation and make improvements. During the Year, the Group's customer service rating was 100.00%.

In order to standardize the customer complaint handling procedure of the Group, we have formulated the Customer Complaint Handling Procedures (《客戶抱怨處理程序》). Upon receipt of feedback from the customers on quality, the Marketing Department will communicate with the customers in a timely manner, and fill out the Form on Handling of Quality Abnormality Complaint (《質量異常投訴處理單》), which will be handed over to the Quality Management Department or Technical Department for causal analyses. Of the complaints, we will rectify the problems within the time frame required by the customer and follow up to verify the improvement solution.

During the Year, the Group has 8 complaints on the products, mainly focusing on surface defects of the products. The products concerned were returned and all complaints were handled properly. According to the established quality management procedures, we have implemented measures addressing quality issues on products. For details, please refer to the section "3.1 Product Quality Assurance".

3. Compliant Operation

3.6 SUSTAINABLE SUPPLY CHAIN

Our major suppliers include suppliers of materials and equipment. We attach great importance to quality management of purchased goods and the performance of our suppliers. The Group has formulated the Procurement Operational Procedures (《採購作業程序》), the Procurement Management System (《採購管理制度》) and the Procurement Control Procedure (《採購控制程序》), so as to regulate the supervision over the suppliers and the related work of procurement.

The Procurement Department is responsible for the preparation of the List of Procurement Plan (《採購計劃表》) and the execution of procurement. For goods with a specific amount, relevant data will be recorded in the List of Basic Information of Suppliers (《供應商基本信息表》), and information in respect of product samples or processed samples and corporate information is requested to be provided by suppliers when necessary. When selecting a suitable supplier, the Procurement Department will enquire price to at least three suppliers and solicit suppliers based on the principles of economy, efficiency and proximity. Afterwards, suppliers will be reviewed by the Procurement Department based on the three principles, and the suppliers who have passed the review will be listed in Qualified Suppliers List (《合格供應商名錄》), and the criterion of which comprise quality, reputation of the suppliers and production equipment that meets the Group's requirements. Suppliers who come for cooperation for the first time will be requested to provide stringent quality management system certification, and sample provided will also be inspected.

We will also carry out regular evaluation on suppliers, whose criterion including advisability, timely delivery, quality suitability, packaging intactness, service attitude and delivery convenience. The evaluation results will be recorded under the Supplier Evaluation Form (《供應商評價表》). Unqualified suppliers will be removed from the List. Suppliers, when spotted with serious quality issues, will be requested for improvement in accordance with the Sheet of Measures for Remedy and Prevention (《糾正和預防措施處理單》) issued by the Group. If the supplier receives such sheet twice but shows no improvement, we will disqualify the supplier to maintain the Group's supply chain with good and stable quality, and comply with the standards and requirements of the target markets. During the Year, the Group has conducted supplier review over 300 suppliers, among which more than 200 suppliers have complied with the Group's requirements, while cooperation with 107 suppliers was terminated.

3. Compliant Operation

In terms of recognizing and managing environmental and social risks in the supply chain, the Group request all suppliers to comply with the laws and regulations of the area in which they operate, including but not limited to environmental protection, employment and anti-corruption. Meanwhile, we encourage suppliers to actively adopt sustainable development measures, and prioritise using environmentally friendly products and services that have a less impact on the environment during procurement, such as products that can be reused and contain less packaging. We will review the compliance of environmental and social regulations of our suppliers on a regular basis. Suppliers evaluation mainly take place in August each year, and any new manufacturer enlisted or existing manufacturer engaged in re-transaction in the following months will also be included in the supplier evaluation of the Year. In case of a noncompliance issue found, we will require them to rectify the noncompliance or terminate our cooperation.

During the Year, the number of suppliers of the Group was 727, of which 701 and 26 were from Mainland China and Overseas, respectively.

3.7 ANTI-CORRUPTION

The Group complies with relevant requirements of the laws and regulations including Oversight Law of the People's Republic of China (《中華人民共和國監察法》), the Securities Law of the People's Republic of China (《中華人民共和國證券法》), the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Criminal Law of the People's Republic of China (《中華人民共和國刑法》), Securities and Futures Ordinance of Hong Kong Special Administrative Region (《香港特別行政區證券及期貨條例》), the Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》), etc., and has zero tolerance for any form of illegal and noncompliance act. In order to promote anti-corruption and bribery-prevention work within the Group, we have formulated the Misconduct Reporting Mechanism and Handling Measures (《不當行為舉報機制與處理辦法》) and Reporting System for Interest Conflict (《利益衝突申報制度》). We are against any behaviors involving conflict of interest, extortion and acceptance of bribes, misappropriation of funds, embezzlement, economic fraud, disclosure or theft of business secrets.

3. Compliant Operation

As stated in our Employee Handbook (《員工手冊》), all employees of the Group are obliged to comply with the laws and regulations in relation to anti-corruption and anti-bribery of the regions in which it operates. Any act of our employees that has seriously violated the national or company's rules and regulations, including but not limited to obtaining or conferring an improper interest, stealing funds or secrets, etc., will be dealt with strictly and accordingly, and our right to claim will be reserved. To protect the interests of both the Group and the customers, to establish a professional image, and to prevent any possible conflict which will cause impact to the business, we have formulated the Reporting System for Interest Conflict (《利益衝突申報制度》), which requires employees to report their own interest relationship before engaging business with a third party, and to report or avoid any conflict of interest if existed. If any conflict of interest is discovered, the management will request employees to perform their reporting duty and change the person in charge of the project, or terminate any business cooperation with the third party immediately. If there is any violation of the relevant requirements by the employees, the Group will set up a project team for verification, certification and evaluation. Once the case is confirmed, corresponding procedures will take place in the order of seriousness of the instance.

During the Year, 9 directors and 70 employees participated in anti-corruption trainings. The directors and employees have attended a total of 18 hours and 140 hours of anti-corruption training respectively. The main content of the training is anti-corruption and anti-bribery compliance requirements, as well as the forms of disclosure, management policies, practices, key performance, highlight cases, inspiration and suggestions of listed companies on anti-corruption. For employees below the level of manager, we also promote anti-corruption approach and anti-corruption spirit to our employees during their daily routine meetings.

In order to encourage our employees or partners to actively report on any illegal or noncompliance act by any employee or unit of the Group, we provide an open and transparent channel for anti-corruption reports and are committed to keeping the information and content of the reports confidential. Upon receipt of a complaint or report, the Audit Department of the Group, which is responsible for investigating cases of illegal and noncompliance cases, will conduct a preliminary examination. Once the case is substantiated, we will implement different measures or impose different penalties according to the seriousness of the incident, including transfer, demotion, referral to the judiciary, etc. A case will be opened for investigation of serious disciplinary offences with significant impact and wide implications. If the case cannot be clarified for the time being, a case will be filed and held in abeyance for further investigation at a later stage. The Audit Department will also provide Management Improvement Submissions (《管理改進意見書》) for implementation by the relevant organisations and regularly monitor the progress of improvement made by the departments concerned.

During the Year, the Group did not have any litigation and corruption cases against the Group and its employees.

4. Improving Staff Management

Adhering to the talent development strategies of “people-oriented”, “people-first, things later” and “cherishing both people and things”, we encourage our employees to give full play to the group spirit and apply innovative thinking in their positions, so as to promote the mutual growth of employees and the enterprise. The Group strictly complies with laws and regulations of the Civil Code of the People’s Republic of China (《中華人民共和國民法典》), the Labor Contract Law of the People’s Republic of China (《中華人民共和國勞動合同法》), and implements the internal Employee Handbook (《員工手冊》) and the Labour Contract (《勞動合同》). The Employee Handbook (《員工手冊》) is an important component of the Labour Contract (《勞動合同》) and the Company Rules and Regulations, regulating the policies and measures in relation to human resources of the Group. To help employee stay energetic, intellectual and passionate, we strive to create a fair, inclusive and safe working environment for our employees, and continue to facilitate talent pools building and protect the rights of the employees. During the Year, the total number of employees was 2,731. For details of the specific breakdown of the employees, please refer to “Appendix I: Sustainability Data Summary”.

4.1 COMPLIANT EMPLOYMENT

The Group strictly complies with relevant policy requirements of recruitment, and is committed to proceed such based on various principles of open, fair, competitive and recruitment on merits. Job applicants will not be discriminated due to race, disability, gender, age, academic background, geographic location, religion, family background, sexual orientation, etc. Before enrollment, we will review the information of the applicants, such as household register, academic certificates, etc. The Group implements a labour contract system to sign labour contracts with employees, under which the terms of the contract, terms of probation, remuneration and benefits are stipulated. Employees can tender resignation within the terms of the contract by sending one month’s prior notice before leaving. We will have an interview with the employee to understand the reason for resignation before his leaving.

We strictly comply with the Provisions on Prohibition of Child Labor (《禁止使用童工的規定》), where employing underaged employees and involuntary workers are prohibited. When recruiting, we scrutinize identification documents of the job applicants to ensure that employees have come of age. Contract may be terminated immediately upon discovery of any false instrument. Meanwhile, we have fixed working hours and attendance. Employees are not encouraged to work overtime. If working overtime is necessary, the employees have to fill out the Overtime Application Form (《加班申請審批表》), and are only able to work overtime after approval. They will be compensated by time off or given monetary overtime payment. If there is any noncompliance behavior, we will take action to rectify immediately and prevent reoccurrence of the noncompliance act.

4. Improving Staff Management

During the Year, the Group did not have any noncompliance cases regarding child labor or forced labor, nor any cases of noncompliance in relation to remuneration, equal opportunities, diversity, anti-discrimination and other treatment and benefits.

4.2 EMPLOYEES BENEFITS AND ACTIVITIES

The Group strictly complies with the requirements of the laws and regulations of the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), the Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), the Trial Measures for Enterprise Staff Maternity Insurance (《企業職工生育保險試行辦法》), the Regulations on Work-Related Injury Insurance (《工傷保險條例》), and the Regulations on Administration of Housing Provident Funds (《住房公積金管理條例》) to make contributions to the social insurances, including pension, medical, unemployment, work-related injuries and maternity, as well as housing provident funds for employees. Apart from the benefits as required by the law, we will provide various kinds of subsidies and awards to employees, such as confidentiality fees, high-temperature subsidy, meal allowances, etc. To motivate employees to provide excellent performance, we have established special awards, including innovation awards, creative appraisal awards, informatisation and industrialisation integration assessment award, excellent employee awards and advanced team awards.

The Group has established a competitive, fair and incentivizing remuneration system for its employees based on their capability and performance to attract, motivate and retain employees with high caliber. According to the remuneration structure of the Group, remuneration packages include basic salary, performance bonuses, overtime salary, social welfare insurance, allowances and subsidies. In addition, we will grant performance-based bonuses based on different kinds of works, and conduct regular adjustment to the salary of the employees. Performance-based bonuses are granted based on the results of performance appraisals which will be carried out monthly and annually. Appraisal criteria include the key performance indicators and working targets of the employees under the principles of fairness, equality and transparency.

4. Improving Staff Management

By creating a platform for the cultural and sports life of our employees, the Group aims to build a dynamic and creative team by organising various kinds of spare-time activities to increase mutual communication among employees and enhance team cohesion and sense of belonging. The Labor Union organises a number of activities and competitions for our employees on a regular basis and encourages them to organise their own activities. During the Year, we organised our employees to participate in the 2024 Chuansha New Town Blood Donation.



Employees Participated in 2024 Chuansha New Town Blood Donation

4.3 OCCUPATIONAL HEALTH AND SAFETY

We are always addressing the health and safety of our employees as our first priority, ensuring a safe and reliable working environment for them. We strictly comply with the laws and regulations of the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), the Law of the People's Republic of China on Work Safety (《中華人民共和國安全生產法》), the Provisions on the Supervision and Administration of Occupational Health at Work Sites (《工作場所職業衛生監督管理規定》), and the Regulations on Work-Related Injury Insurance (《工傷保險條例》). And we were awarded the standard certification of ISO45001:2018 Occupational Health and Safety Management Systems (《ISO45001:2018職業健康安全管理体系》) during the Year.

4. Improving Staff Management



Occupational Health and Safety Management Systems Certificate

We request all employees conduct training on safety knowledge and safe operation during onboarding, and examine their understanding of the safety knowledge and safety regulations. Safety education focuses on two aspects, namely fire safety and labour safety and health. We also organise regular fire safety training and evacuation drills to ensure that our employees can properly master the use of the fire extinguishers and keep in mind the escape routes in the event of an emergency. During the Year, the Group sent its employees to participate in the mini fire station competition in Qidong City. Through this exercise, we had the opportunity to review the work of the Group's micro fire station and greatly enhanced our fire safety preparedness drills in the future.

4. Improving Staff Management

Fire Safety

- Smoking in the production bases is strictly prohibited
- The use of open flames must be approved by the person in charge of safety
- Fire escapes should be kept clear and must not be locked or stacked
- Embedded fire hydrants and fire extinguishers must not be moved, and be cleared of any obstacles in a 1m radius
- No pulling of electric wires or sockets without the consent of the supervisor of the Production Department

Labour Safety and Health

- Employees must wear appropriate protective equipment when working
- Machines and equipment not for their own use shall not be touched at will
- Only couriers are allowed to operate or ride on freight elevator
- When acids, alkalis or other chemicals get on the skin or splash into the eyes, they should be immediately flushed with flowing water for more than 15 minutes

The Group implemented Occupational Disease Prevention and Control Responsibility System (《職業病防治責任制度》) and improved the organizational structure for occupational health management with the principle of “safety is also a part of production management”. Led by the general manager, an occupational health work leading team is formed under the Occupational Health Management Organization. The duties of leaders from different levels, departments, production departments and employees are clearly stipulated. We actively listen to employees’ thoughts and opinions on occupational health through multiple channels, and educate them on regulations of occupational health and provide occupational training and promotional education every year. In order to comprehensively protect the health and safety of our employees who work on site, we compile technical information about occupational diseases that employees may suffer from during the production process, including different types of disease factors, sources and production parts, and maintain protective equipment for production and personal use. We will conduct daily monitoring, registering, reporting and filing of any occupational disease factors, and we will carry out on-the-spot inspections regularly. Any unsafe situation must be rectified or reported to the leading team to study and handle immediately. For any occupational disease that occurs within the Group, we will take contingency measures to investigate and handle it. Serious penalties may be imposed on employees who have violated any regulations, while those who have contributed to the prevention of occupational disease will be awarded and praised.

During the Reporting Period, the Group did not receive any complaints or lawsuits regarding violations of health and safety related laws. In the past three years, the Group recorded zero occupational fatality, and the lost working days due to work-related injuries was zero.

4. Improving Staff Management

4.4 EMPLOYEE TRAINING

We always have the idea that our employees and the Group can progress together, and therefore we provide different employees with various kinds of training, such as introduction training, safety training, management training, knowledge training on quality management system, synchronised accounting skills training for accountants, electrician induction training, etc. We formulate annual training programmes each year, targeting different participants in order to provide suitable training programmes and courses for self-improvement to attract talents of high caliber, and thus maintaining the Group's competitiveness. Apart from necessary safety-related knowledge, new employees also need to study 5S (Seiri, Seiton, Seiso, Seiketsu and Shitsuke) management skill. We also arrange outbound training for our employees on a regular basis in accordance with the training implementation plan, and employees have to attend all of the training sessions or relevant examinations as required.

In addition, we encourage and support technological innovation among our employees. During the Year, five of our employees participated in the "2024 Pudong Employee Technological Innovation Achievement" competition and won the entry prize for their project, the sunfilter UV++ Film Layer Coating-Photochromic Lens (瞬非sunfilter UV++膜層變色鏡片), which praised and acknowledged their efforts in the project and served as a good motivation within the company at the same time.



2024 Pudong Employee Technology Innovation Achievement Certificate of Honours

4. Improving Staff Management

During the Year, all of the Group's employees participated in the training. We have launched the "Power Retail, Sales Elite Training Camp" in various regions across the country, including Taiyuan, Hangzhou, Shenyang and Hefei, where industry experts and trainers were invited to share their optometric knowledge and marketing experience. In addition, we also provided employees with promotion opportunities to promote their career development. Promotion opportunities are assessed on the basis of attendance and appraisal results, and reviewed by the management for implementation at a later stage.

Case Study: "Power Retail, Elite Training Camp – Hangzhou"

On 26 September 2024, we held a 2-day Power Retail Sales Elite Training Camp in Hangzhou. We invited a professor of ophthalmology from Sun Yat-sen University and a marketing manager of Mitsui Chemicals' lifestyle and healthcare materials, together with our professional training team, to bring a wide range of specialised courses to our employees. At the end of the training session, we held an award ceremony for the outstanding trainees and presented them with certificates and gifts.



"Power Retail, Elite Training Camp – Hangzhou"

5. Green and Smart Manufacturing

While developing its business, the Group is not oblivious to environmental protection and is committed to minimizing any adverse environmental impacts that may result from its operations, as well as conserving non-renewable resources, and seeks to promote the sustainable development of the Group through different measures. We strictly adheres to relevant laws and regulations such as the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》), the Law of the People's Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》), the Pollution Discharge Licensing Management Regulations (《排污許可管理條例》), the Administrative Measures for the Licensing of Discharge of Urban Sewage into the Drainage Network (《城鎮污水排入排水管網許可管理辦法》), and the Waste Management and Public Cleaning Law (《廢棄物管理和公共清潔法》(廢棄物の處理及び清掃に関する法律)) of Japan. We have also certified to the ISO14001:2015 standard for Environmental Management Systems (below left) and the ISO50001:2018 standard for Energy Management Systems (below right).



Environmental Management Systems certificate (left) and
Energy Management Systems certificate (right)

5. Green and Smart Manufacturing

During the Year, the Group did not violate any laws relating to environmental protection or cause any major incidents affecting the environment and natural resources, nor was it notified of any penalties and litigations in relation to environmental aspects.

During the Year, due to the increase in business activities, the Group's consumptions of electricity and water as well as the volume of solid waste increased over last year. We will continue to review the discharge of waste water, exhaust gas, noise and solid waste during industrial production to ensure compliance with the emission indicators set by the policy. Under a compliance operation, we target to reduce the intensity of energy and water consumption, decrease emission of greenhouse gas, noise, exhaust gas and waste water, and reduce the generation of waste by improving our technique and craftsmanship.

5.1 EMISSION AND CONSUMPTION REDUCTION

The Group understands the importance of promoting energy saving and consumption reduction at source. Through the implementation of various measures, we have effectively enhanced the efficiency of energy usage, such as the installation of a new centralized filtration and cooling system in the workshop, which is able to save 5 kW of electricity per hour compared with the old system. In terms of green products, the Group integrates green low carbon into its production process and reduces carbon emissions at raw materials by replacing traditional lenses made of petroleum materials with plant-based lenses in the production of 1.74 high resolution series of lens. Compared to traditional petroleum-based products, products developed from plant-based materials have the same performance, but reduce greenhouse gas emissions by 14%, greatly reducing our reliance on non-renewable resources and minimizing the carbon footprint of our products, which helps to promote a sustainable production model. In addition, to enhance energy efficiency at offices, we have conducted regular cleaning of the filters in the air conditioners and control the temperature at 26.0 degree. Employees are encouraged to wear light outfit during hot weather to reduce cooling need. We have also adopted light fixtures with high energy efficiency and installed individual light switches for each area within the office to reduce energy consumption.

5. Green and Smart Manufacturing

During the Year, the construction of photovoltaic facilities at our production bases in Shanghai and Jiangsu generated 1,062,900 kWh of electricity and 2,392,500 kWh of electricity respectively. During the Year, the Group's total solar energy generation amounted to 3,455,400 kWh. By actively promoting the use of sustainable energy, we have steadily incorporated multi-energy complementarity and optimized energy mix to establish a low-carbon and green electricity consumption system mainly based on renewable energy. Looking ahead, we will further study the possibility of implementing other low-carbon energy sources, so that we can realize our own high-quality green development while contributing to China's goal of carbon neutrality.

In addition, by converting water heating to electricity energy consumption, we supplied 9,844 tonnes of 60°C hot water to the production system during the Year, resulting in cumulative electricity cost savings of approximately RMB472,500, which not only saves expenses on electricity, but also reduces greenhouse gas emissions and contributes to sustainable development.



Production Bases with the Incorporation of Distributed Photovoltaic Energy Generation Systems

5. Green and Smart Manufacturing

During the Year, the Group consumed 66,670,000.00 kWh of purchased electricity, and generated total solar energy of 3,455,400 kWh (2023: total solar energy generated was 2,415,700 kWh). Our total GHG emission was 36,833.60 tCO₂e. GHG emission per square meter accounted for 0.44 tCO₂e. GHG emission per employee was 15.11 tCO₂e. GHG emission per RMB10,000 was 0.18 tCO₂e.

GHG Emissions	Unit	2024
Direct GHG emissions (Scope 1)	tCO ₂ e	1,058.48
Indirect GHG emissions (Scope 2)	tCO ₂ e	35,775.12
Total GHG emissions (Scope 1 and 2)	tCO ₂ e	36,833.60
GHG emissions intensity (Per square meter) (Scope 1 & 2)	tCO ₂ e/m ²	0.44
GHG emissions per employee (Scope 1 & 2)	tCO ₂ e/employee	15.11
GHG emissions per RMB10,000 (Scope 1 & 2)	tCO ₂ e/RMB10,000	0.18

5.2 WATER RESOURCE MANAGEMENT

During the Year, the Group utilized 518,273.00 m³ of water. All water consumption of the Group comes from the municipal water supply and we did not encounter issues in sourcing water. We strictly comply with the relevant laws and regulations including the Shanghai Water Supply Management Regulations (《上海市供水管理條例》) and the Shanghai Water Conservation Management Regulations (《上海市節約用水管理辦法》), and have formulated the Water Conservation Management Regulations (《節水管理規定》) for the Jiangsu Production Base. According to the requirements under the water consumption plan as set up by the relevant department, we have implemented the work arrangements related to water management on a day-to-day basis. Our management is a position responsibility system, under which each department head is the person in charge of water saving who is responsible for regular check and meter reading, reporting water consumption, and constantly inspecting water pipe network and water facilities to avoid any water leakage. The timely and effective measures will be implemented for any unusual situation. We will also strengthen follow-up supervision and inspection.

5. Green and Smart Manufacturing

Since June 2024, we have begun online monitoring of the water consumption in our production systems and have completed the conversion of all cooling equipment in our plants to recycled water. With the addition of new production lines, our average purified water usage for the second half of the Year was still 7% lower than the average usage for the first half of the Year, while our average tap water usage for the second half of the Year was 8% lower than the average usage for the first half of the Year, which fully demonstrates our achievements in water conservation and efficiency.

5.3 WASTE MANAGEMENT

Waste generated by the Group mainly include kitchen waste, domestic waste, industrial solid waste, waste activated carbon, waste packaging barrels, etc. To properly dispose with different kinds of waste, we will choose a qualified third-party institute for waste disposal. We require the third-party institute to abide by the regulations and systems such as the Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》) and the Measures for the Prevention and Control of Hazardous Waste Pollution in Jiangsu Province (《江蘇省危險廢物污染防治辦法》). To reduce the generation of waste at source, we continue to monitor on the amount of non-hazardous waste and hazardous waste generated and study and implement corresponding waste reduction measures. For example, we encourage employees to reuse recyclable materials or papers in office, and promote double-sided printing and e-office, to maximize the efficiency of resource utilization.

5. Green and Smart Manufacturing

For the Year, after the comprehensive assessment and expert evaluation by the Profession Association of Environmental Protection Industry of Shanghai and the Shanghai Quality System Audit Center, the Group was assessed as Waste-Free Factory (Park) – Grade B (無廢工廠(園區)B級) and became the first batch of “Waste-Free Factory (無廢工廠)” certified enterprises in China. We have actively embarked on green development, explored waste-free construction in the whole chain of research and development, production and sales, and coordinated the promotion of waste minimization, resource utilization and harmless management of industrial solid waste.



Evaluation Certificates of Waste-Free Factory (Park) – Grade B (無廢工廠(園區)B級)

During the Year, the Group produced a total of 845.28 tonnes of non-hazardous waste and each employee generated 0.35 tonnes of wastes. In terms of hazardous waste, the Group only used 4,245 batteries and 2,633 waste ink cartridges, and all waste have been properly recycled. In terms of packaging materials, during the Year, we used 269.95 tonnes of cartons and 4,356.47 tonnes of packaging bags. More packaging materials were used compared to last year because our production volume increased this Year.

5. Green and Smart Manufacturing

5.4 POLLUTANT EMISSIONS AND NOISE MANAGEMENT

The Group is aware of the irreversible impacts of pollutant emissions on the environment and sustainable development, therefore, we continue to improve our production process and equipment so as to reduce pollutant emission. We strictly comply with the emission standard requirements of GB8978-1996 Integrated Wastewater Discharge Standard (《GB8978-1996 污水綜合排放標準》), the Integrated Wastewater Discharge Standard (《污水綜合排放指標》) of Shanghai, PRC and the Waste Management and Public Cleaning Law (《廢棄物管理和公共清潔法(廢棄物の處理及び清掃に關する法律)》) of Japan. The Group has obtained a permit for water discharge into drainage network in towns and cities, so as to ensure the sewage discharge from operational activities complies with the relevant requirements. In order to enhance waste water disposal work, we installed the waste water treatment system and new centralized filtration and cooling system for workshop. The waste water treatment system is able to increase our waste water treatment efficiency and ensure that our waste water treatment practice meets the requirements under the Emission Standards for Pollutants from the Synthetic Resin Industry GB31572-2015 (《合成樹脂工業污染物排放標準GB31572 – 2015》). The centralized filtration and cooling system for workshop enables effective filtration of cooling water and enhance the quality of water treated. During the Year, the pH value of the sewage discharged from the Shanghai and Jiangsu Production Base fell within the required standard. On the other hand, in terms of chemical oxygen demand, the emission intensity of the Shanghai Production Base was controlled within 100-390 mg/l, and the emission intensity of the Jiangsu Production Base was controlled within 74-90 mg/l, both were lower than the standard of 500 mg/l.

Apart from waste water discharge management, we also concern about the emission of exhausted gas. We engaged an accredited third-party certification agency to regularly test our air quality to make sure that our emission will not exceed the required limit. For the Year, our air quality has been up to standard without exceeding any required standard. To further reduce dust generation during production, we have installed a dust removal system to reduce dust generation. At the same time, we also paid attention to the impact of particulate matters on the surrounding environment, closely monitored system information of dust alert and we will limit the production when necessary.

In terms of noise, we strictly comply with standards such as the Emission Standard for Industrial Enterprises Noise at Boundary (《工業企業廠界環境噪聲排於標準》) of China and the Waste Management and Public Cleansing Law (《廢棄物管理和公共清潔法(廢棄物の處理及び清掃に關する法律)》) of Japan. We actively study and implement various noise reduction measures such as using noise snubbers and shock-absorbing pads, to continuously strengthen our efforts in noise control.

During the Year, the emissions of nitrogen oxide, sulfur oxide and particulate matters from the Group were 790.07 kg, 1.42 kg and 57.12 kg respectively.

5. Green and Smart Manufacturing

5.5 COPING WITH CLIMATE CHANGE

As a responsible enterprise, we are fully aware of the importance of coping with climate change for sustainable development. By identifying the possible physical and transition risks and opportunities caused by climate change, and analyzing the extent of the impact of each risk, we formulated corresponding strategies and measures to respond to risks or accept opportunities. Looking forward, we will continue to follow up on the risks and opportunities associated with climate change and proactively implement various response measures, with a view to working with stakeholders to cope with and grasp the risks and opportunities associated with climate change.

Climate Change Risks			
Type of Risk	Level of Risk	Potential Impact	Counter Measure
Physical Risks			
Extreme heat	High	<ul style="list-style-type: none">Working under extreme heat affects employees' health and safetyHigher temperatures increase the use of energy for cooling needs, resulting in higher energy consumption, which in turn affects operating costs	<ul style="list-style-type: none">Facilitate the use of renewable energy to reduce carbon emissionProvide heat subsidy for employeesEnhance staff awareness of heat stress related illnesses

5. Green and Smart Manufacturing

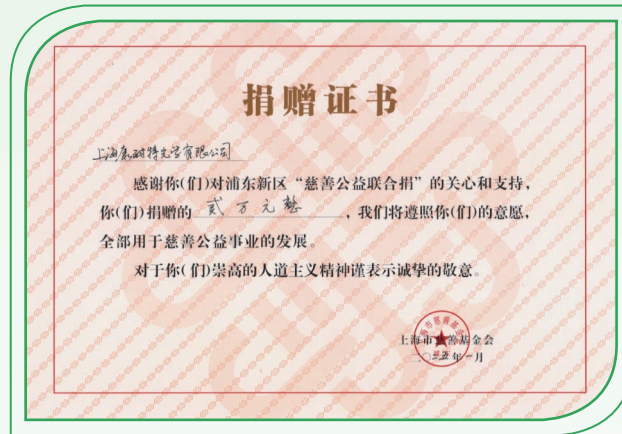
Climate Change Risks			
Type of Risk	Level of Risk	Potential Impact	Counter Measure
Transition Risks			
Policy and Regulatory risks – Failure to comply with carbon neutrality targets of the national and industry standards; Reporting Compliance Risks	Medium	<ul style="list-style-type: none"> • Potential penalties for non-compliance • Reputational damage and loss of competitive advantage • Loss of orders and reduced revenue due to inadequate disclosure of carbon neutrality targets and data 	<ul style="list-style-type: none"> • Facilitate the adoption of more renewable energy • Understand the latest laws and regulations on climate change and integrate them into management strategies • Increase investment in the development of low-carbon and emission reduction technologies and projects
Reputation risk – Stakeholders demand that companies raise the bar on climate action.	Medium	<ul style="list-style-type: none"> • Damage to goodwill • Disruption of existing partnering arrangements or weakening of the ability to attract new partners • Loss of advantage against competitors with better sustainable performance 	<ul style="list-style-type: none"> • Publicly disclose the Company's GHG emissions data and its efforts in low-carbon operations in the ESG report and actively protect its corporate image • Continue to promote energy saving and emission reduction as well as fine-tuning energy management
Market risk – Front-end costs of low-emission technology transition	Medium	<ul style="list-style-type: none"> • Replacement of existing equipment with low-emission production equipment • Uncertainties associated with the use of environmentally friendly technologies and materials 	<ul style="list-style-type: none"> • Apply low energy consumption technologies and low carbon emission products • Study the feasibility and benefits of applying the latest energy-saving technologies to operations • Timely understand the supportive policies on low-carbon technologies of the governments in the respective locations of operations

5. Green and Smart Manufacturing

Climate Change Opportunities		
Type of Opportunity	Content of Opportunity	Measures to Grasp the Opportunity
Increase resource efficiency	<ul style="list-style-type: none">• More efficient production processes• Improve transportation efficiency under the pressure of climate change risks• Use a "circular economy" model to reduce waste generation	<ul style="list-style-type: none">• Reduce the use of electricity and energy in daily operations• Optimize logistics routes• Improve waste disposal methods and implement waste reuse measures

6. Charity and Public Welfare

Over the years, the Group has been adhering to the belief of “Technology Transforms Vision, Expertise Shapes the Future (科技改變視界·專業成就未來)”, and has been committed to fulfilling its corporate social responsibility and helping the public welfare to support the society. Leveraging on our expertise in ophthalmology health, optometry and lenses, we help the community to be aware of vision health through long-term cooperation with different units to promote eye protection knowledge, provide ophthalmic examination for target groups and education to the public, and offer help to people in need. For the Year, we actively participated in the “Charity & Public Welfare Joint Donation (慈善公益聯合捐)” Campaign in Pudong New Area and donated RMB20,000 to the Shanghai Charity Foundation for the development of charitable and public welfare undertakings.



Shanghai Charity Foundation Donation Certificate

Apart from providing vision screening for students in 14 primary and secondary schools in Jiangsu Province, we also participated in the Qidong & Rudong People’s Hospitals Free Eye Clinic for National Sight Day (June 6) (啟東市和如東市人民醫院66愛眼日義診活動), Daqing City Bright Vision Initiative (大慶市愛目行動), Tibet Eye Loving and Eye Caring Charity Program (愛眼護眼援藏公益活動), to demonstrate our corporate philanthropy. For the Year, we made donations of RMB346,018 and 720 of our employees participated in charity activities.

6. Charity and Public Welfare

NATIONAL LARGE-SCALE PUBLIC WELFARE CAMPAIGN – “BRIGHT VISION INITIATIVE” IN DAQING CITY (「愛目行動」大慶站)

On 23 April 2024, the 10th Season of the 2024 “Bright Vision Initiative (愛目行動)” public welfare campaign, themed “Walking with Light (與光明同行)” was launched in Daqing City. Together with industry partners, the Group conducted vision screenings, eye care lectures, and charitable donations at Daqing Land School (大慶蘭德學校), Tieren School (鐵人學校), and Shihua No. 1 Primary School (石化第一小學). During the event, our staff meticulously assisted with vision screenings, patiently explained eye care knowledge, and actively supported the medical expert team in follow-up screenings. After the optometry process, the Group and its industry partners took on the responsibility of processing services of lenses and frames, ensuring these children received their customized caring glasses. The Beijing Honson Foundation recognized our contributions and awarded us the “Corporate Philanthropy Certificate (愛心企業證書)” in acknowledgment of our efforts.



“Bright Vision Initiative” in Daqing City (「愛目行動」大慶站)

6. Charity and Public Welfare

WALKING INTO TIBET: "TIBET EYE LOVING AND EYE CARING CHARITY PROGRAM (愛眼護眼援藏公益活動)"

On 30 June to 9 July 2024, China Optometric and Optical Association, in collaboration with Tibet Charity Federation, launched the "Tibet Eye Loving and Eye Caring Charity Program (愛眼護眼援藏公益活動)". Together with industry partners, the Group visited LaSa BaYi school of Tiebt military region (西藏軍區拉薩八一學校), Nagqu and Shigatse, providing free vision screenings and optometry services to thousands of students and local residents. Additionally, we donated 1,500 pairs of optical resin lenses to Tibet Charity Federation, with a total value exceeding RMB 5.5 million.



Representatives of Charity Teams and Experts in Tibet



Staff Conducting Vision Screening

Appendix I: Sustainability Data Summary

Environmental Aspect	Unit	2024
Air pollution emissions		
Nitrogen Oxide	kg	790.07
Sulfur Oxide	kg	1.42
Particulate Matter	kg	57.12
GHG emissions		
Direct GHG emissions (scope 1)	tCO ₂ e	1,058.48
Indirect GHG emissions (scope 2)	tCO ₂ e	35,775.12
Total GHG emissions (scope 1 and 2)	tCO ₂ e	36,833.60
GHG emissions intensity per m ² (scope 1 and 2)	tCO ₂ e/m ²	0.44
GHG emissions per employee (scope 1 and 2)	tCO ₂ e/employee	15.11
GHG emissions per RMB10,000 (scope 1 and 2)	tCO ₂ e/RMB10,000	0.18

Appendix I: Sustainability Data Summary

Environmental Aspect	Unit	2024
Energy consumption		
Purchased electricity consumption	kWh	66,670,000.00
Solar power generation capacity	kWh	3,455,400.00
Total electricity consumption (purchased electricity + solar power generation)	kWh	70,125,400.00
Total electricity consumption intensity (per m ²)	kWh/m ²	836.71
Total electricity consumption per employee	kWh/employee	28,775.30
Total electricity consumption per RMB10,000	kWh/RMB10,000	340.28
Diesel consumption	Liter	48,291.00
Natural Gas consumption	m ³	39,772.00
Petrol consumption	Liter	51,457.00
Water consumption		
Total water consumption	m ³	518,273.00
Water consumption intensity (per m ²)	m ³ /m ²	6.18
Water consumption per employee	m ³ /employee	212.67
Water consumption per RMB10,000	m ³ /RMB10,000	2.51

Appendix I: Sustainability Data Summary

Environmental Aspect	Unit	2024
Paper consumption		
Total paper consumption	kg	34,010.94
Paper consumption intensity per employee	kg/employee	13.96
Waste production		
Total non-hazardous wastes production	tonnes	845.28
Non-hazardous wastes production per employee	tonnes/employee	0.35
Waste batteries production	piece	4,245.00
Waste ink cartridges and waste toner cartridges production	piece	2,633.00
Packing materials consumption		
Carton	tonnes	269.95
Packaging bag	tonnes	4,356.47

Appendix I: Sustainability Data Summary

Social Aspect	Unit	2024
Number of employees		
Total number of employees	number	2,731
Number of employees (by gender)		
Female	number	1,359
Male	number	1,372
Number of employees (by employee category)		
Full-time junior employees	number	2,640
Full-time middle management	number	70
Full-time senior management	number	21
Number of employees (by age group)		
Below 30	number	658
31 to 50	number	1,646
Above 50	number	427
Number of employees (by geographical region)		
Inland	number	2,610
Abroad	number	121

Appendix I: Sustainability Data Summary

Social Aspect	Unit	2024
Turnover rate¹		
Total turnover rate of employees	%	31.31
Turnover rate of employees (by gender)		
Female	%	28.99
Male	%	33.60
Turnover rate of employees (by age group)		
Below 30	%	61.85
31 to 50	%	24.24
Above 50	%	11.48
Turnover rate of employees (by geographical region)		
Inland	%	32.76
Abroad	%	0.00

¹ The calculation method of turnover rate for employees in different categories = number of departed employees in the category ÷ total number of employees in the category at the end of the Year × 100%

Appendix I: Sustainability Data Summary

Social Aspect	Unit	2024
Occupational health and safety		
Number of work-related fatalities in the past three years (including the Reporting Year)	number	0
Rate of work-related fatalities occurred in the past three years (including the Reporting Year)	%	0.00
Lost days due to work-related injury	day	0
Development and training		
The percentage of employees trained by gender²		
Male	%	50.24
Female	%	49.76
The percentage of employees trained by employee category		
Full-time junior employees	%	96.67
Full-time middle management	%	2.56
Full-time senior management	%	0.77

² The calculation method of percentage of employees trained in different categories = number of employees trained in the category ÷ total number of employees trained × 100%

Appendix I: Sustainability Data Summary

Social Aspect	Unit	2024
The average training hours per employee by gender		
Female	hour	6.00
Male	hour	6.00
The average training hours per employee by employee category		
Full-time junior employees	hour	6.00
Full-time middle management	hour	6.00
Full-time senior management	hour	30.00

Appendix II:

The ESG Reporting Guide Index of The Stock Exchange of Hong Kong Limited

Indicator Content			Respective Section
Mandatory Disclosure Requirements			
A. Environmental Aspect			
A1. Emissions	General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	5. Green and Smart Manufacturing
	A1.1	The types of emissions and respective emissions data.	Appendix I: Sustainability Data Summary
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	Appendix I: Sustainability Data Summary
	A1.3	Total hazardous waste produced and intensity.	Appendix I: Sustainability Data Summary
	A1.4	Total non-hazardous waste produced and intensity.	Appendix I: Sustainability Data Summary
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	5. Green and Smart Manufacturing
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	5. Green and Smart Manufacturing

Appendix II: The ESG Reporting Guide Index of The Stock Exchange of Hong Kong Limited

Indicator Content			Respective Section
A2. Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	5.1. Emission and Consumption Reduction 5.2. Water Resource Management
	A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Appendix I: Sustainability Data Summary
	A2.2	Water consumption in total and intensity.	Appendix I: Sustainability Data Summary
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	5. Green and Smart Manufacturing
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	5. Green and Smart Manufacturing
	A2.5	Total packaging material used for finished products and with reference to per unit produced.	Appendix I: Sustainability Data Summary
A3. The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	5. Green and Smart Manufacturing
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	5. Green and Smart Manufacturing
A4. Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	5.5. Coping with Climate Change
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	5.5. Coping with Climate Change

Appendix II: The ESG Reporting Guide Index of The Stock Exchange of Hong Kong Limited

Indicator Content			Respective Section
B. Social Area			
Employment and Labour Practices			
B1. Employment	General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	4. Improving Staff Management 4.1. Compliant Employment
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Appendix I: Sustainability Data Summary
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I: Sustainability Data Summary
B2. Health and Safety	General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.3. Occupational Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting Year.	4.3. Occupational Health and Safety
	B2.2	Lost days due to work injury.	4.3. Occupational Health and Safety
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.3. Occupational Health and Safety

Appendix II: The ESG Reporting Guide Index of The Stock Exchange of Hong Kong Limited

Indicator Content			Respective Section
B3. Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	4.4. Employee Training
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix I: Sustainability Data Summary
	B3.2	The average training hours completed per employee by gender and employee category.	Appendix I: Sustainability Data Summary
B4. Labour Standards	General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	4.1. Compliant Employment
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	4.1. Compliant Employment
	B4.2	Description of steps taken to eliminate such practices when discovered.	4.1. Compliant Employment
Operating Practices			
B5. Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	3.6. Sustainable Supply Chain
	B5.1	Number of suppliers by geographical region.	3.6. Sustainable Supply Chain
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	3.6. Sustainable Supply Chain
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.6. Sustainable Supply Chain
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.6. Sustainable Supply Chain

Appendix II: The ESG Reporting Guide Index of The Stock Exchange of Hong Kong Limited

Indicator Content			Respective Section
B6. Product Responsibility	General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	3.2. Data Information Security 3.3. Intellectual Property Protection 3.4. Brand Promotion
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	During the Year, the Group did not return any products for safety and health reasons.
	B6.2	Number of products and service related complaints received and how they are dealt with.	3.5. Customer Satisfaction
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.3. Intellectual Property Protection
	B6.4	Description of quality assurance process and recall procedures.	3.1. Product Quality Assurance
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	3.2. Data Information Security
B7. Anti-corruption	General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	3.7. Anti-corruption
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	3.7. Anti-corruption
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	3.7. Anti-corruption
	B7.3	Description of anti-corruption training provided to directors and staff.	3.7. Anti-corruption

Appendix II: The ESG Reporting Guide Index of The Stock Exchange of Hong Kong Limited

Indicator Content			Respective Section
B8. Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6. Charity and Public Welfare
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6. Charity and Public Welfare
	B8.2	Resources contributed (e.g. money or time) to the focus area.	6. Charity and Public Welfare

